

## CHAPTER 4

### TEXTBOOK RENTAL

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The preferred method of accounting for a textbook rental program is through a Textbook Rental Fund in the school corporation account. Where no textbooks have been purchased and no financial commitments or guarantees for such purchases have been made by the school corporation, authority is provided to account for the textbook rental program in the extra-curricular account or accounts. [IC 20-5-6-5(1)] However, if the latter method is used, the school board shall approve the amount of the official bond of the treasurer of the extra-curricular account in an amount deemed by the school board sufficient to protect the account for all funds coming into the custody of said treasurer. [IC 20-5-6-6(2)]

In either method, a Textbook Rental Fund shall be maintained. The ledger in which it is maintained (school corporation or extra-curricular) is determined by which method the school board elects to use.

Two special forms are prescribed by the State Board of Accounts to be used with the prescribed ledger forms, etc., when accounting for the textbook rental program in the extra-curricular account. Form TBR-1, Inventory of Rental Textbooks, shall be used for all inventory purposes in the textbook rental program.

It is imperative that a physical inventory be taken of all textbooks, materials, supplies, etc., on hand as of July 1 each year after the students have returned all rental textbooks. A physical inventory may be taken at any other specified time if deemed desirable by school officials. Upon completion of the inventory, a master list by textbooks, grade or subject matter should be prepared. Accordingly, school officials can determine the number of books available for rent and what workbooks, materials and supplies are on hand.

A perpetual inventory could be devised and used to provide availability of this information at all times. Perpetual inventory systems require verification by physical inventory at specified intervals or upon demand of the proper officials.

Form TBR-2, Official Receipt - Individual Textbook Rental List, is to be prenumbered and printed in triplicate. The form, one set for each student, is to be prepared when textbooks and related materials are issued to the student. Form TBR-2, Official Receipt - Individual Textbook Rental List provides for the date the textbooks were issued, the name of the student and the total fee collected. The completed form shall be signed by the issuing officer who could be the treasurer of the extra-curricular account or someone designated by the treasurer to issue the textbooks and collect the rental fees. If the volume of transactions for grades with a fixed list (applicable to all students) of books and materials is great enough to demand it, a copy of the printed list may be attached to the TBR-2 form and the form processed with a reference to such attached list instead of further itemization.

The original of Form TBR-2 is to be given the payer (student or parent). The duplicate is to be retained by the issuing officer and the triplicate is to remain intact in the book. The duplicate, together with rental fees collected, must be transmitted daily to the treasurer of the extra-curricular account. The treasurer may direct the issuing officer to deposit all fees collected each day and submit an acknowledged, duplicate deposit slip with the duplicate copies of Form TBR-2. The treasurer may also require the issuing officer to submit a summary or recap sheet of all fees collected by grade or other designated categories. If this is done, the total of the summary or recap sheet must agree with the amount on the duplicate deposit slip as well as the total of all TBR-2 forms submitted for the day. All duplicates of Form TBR-2 shall be filed alphabetically, by student last names, in the office of the treasurer for audit purposes. A separate TBR-2 should be issued for each payment.

The triplicate copy of Form TBR-2 with book list attached, if any, must be kept in the files of the issuing officer until the close of the semester. When the students return rented textbooks, the issuing officer must check the returned books to the list of those issued as shown on the copy in the files. The student should then remit for all textbooks not returned, or damaged, in accordance with the policy adopted by the school officials. All money received for lost or damaged books together with the triplicate books of Form TBR-2 containing proper notations must then be remitted to the treasurer. The treasurer will file the triplicate copy (complete books).

Duplicates and triplicates will remain intact in the book if the issuing officer is the treasurer.

The original copy of Form TBR-2 shall be given to the student if the student pays the fee, which copy serves as a receipt for the rental fees collected from the student. When book lists are used in lieu of itemization on the form, a copy of the appropriate list shall be attached to the student's copy and one copy shall be retained for audit. A TBR-2 should be issued each time a payment is received. TBR-2 forms should not be issued prior to payments being made by parents or students.

When issuing officers other than the treasurer are designated to issue books and collect rental fees, the treasurer shall issue an official receipt to the issuing officer each time the issuing officer transmits the money or submits a certified deposit slip, to cover such fees, to said treasurer. All disbursements for textbook rental purposes shall be made by check drawn by the treasurer of the extra-curricular account.